

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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In the Matter of the Application of Pacific Gas
and Electric Company for Approval of its
Electric Vehicle Infrastructure and Education
Program

A.15-02-009
(Filed Feb. 9, 2015)

U 39 E

**REPLY BRIEF OF PACIFIC GAS AND ELECTRIC
COMPANY (U-39-E), ALLIANCE OF AUTOMOBILE
MANUFACTURERS, AMERICAN HONDA MOTOR CO.,
INC., CENTER FOR SUSTAINABLE ENERGY,
COALITION OF CALIFORNIA UTILITY EMPLOYEES,
GREENLOTS, THE GREENLINING INSTITUTE, MARIN
CLEAN ENERGY, NATURAL RESOURCES DEFENSE
COUNCIL, PLUG IN AMERICA, GENERAL MOTORS
LLC, SIERRA CLUB, AND SONOMA CLEAN POWER**

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Pursuant to Article 12 and Rule 1.8(d) of the Commission's Rules of Practice and Procedure, Settling Parties hereby file their reply brief responding to opening briefs filed by other parties.^{1/} PG&E has been authorized by the other Settling Parties to file and serve this Reply Brief on their behalf.

I. INTRODUCTION AND SUMMARY OF RESPONSE TO OPENING BRIEFS

A. The Commission Should Approve the Charge Smart and Save Settlement Because It Supports California's Transportation Electrification and Clean Energy Goals. The Commission Should Reject Objections to the Settlement as Contrary to the Commission's EV Policies and Not Supported by the Record.

It is over a year and a half since the Commission lifted its restriction on utility ownership of electric vehicle (EV) facilities and infrastructure.^{2/} More importantly, it is less than four years

^{1/} Settling Parties are Pacific Gas and Electric Company ("PG&E"), Alliance of Automobile Manufacturers, American Honda Motor Co., Inc., Center for Sustainable Energy, Coalition of California Utility Employees ("CCUE"), Greenlots, The Greenlining Institute ("Greenlining"), Marin Clean Energy, Natural Resources Defense Council ("NRDC"), Plug In America, General Motors LLC, Sierra Club, and Sonoma Clean Power Authority. PG&E has been authorized by the other Settling Parties to file and serve this Opening Brief on their behalf.

^{2/} D. 14-12-079, December 18, 2014.

until 2020, the deadline set by Governor Brown for California to deploy sufficient infrastructure to support one million Zero Emission Vehicles (ZEVs).^{3/}

Further, it is nearly six months since the Commission approved an EV infrastructure program for San Diego Gas & Electric Company (SDG&E) that includes size, cost and utility ownership attributes materially comparable and proportional to the Charge Smart and Save Settlement Agreement proposed by PG&E and 12 other parties in this proceeding.^{4/}

In contrast, several parties in their opening briefs continue to oppose Charge Smart and Save *using the very same arguments the Commission already rejected in its prior decisions or for reasons that would delay achievement of California's ZEV and transportation electrification goals.*

Nine parties filed opening briefs opposing the Charge Smart and Save Settlement in whole or in part, in many cases using the same verbatim recommendations. Of those nine parties, two (Office of Ratepayer Advocates (ORA) and The Utility Reform Network (TURN)) represent utility customers, presented testimony, and participated fully in the evidentiary hearings. Other parties that presented testimony and participated fully in the evidentiary hearings were the Joint Minority Parties (JMP) and ChargePoint, Inc. (ChargePoint). JMP represents several minority groups, primarily from the Los Angeles area. ChargePoint is a privately-owned vendor of EV equipment and services.

These opposing parties raise four primary objections to Charge Smart and Save:

1. Charge Smart and Save is too big and costs too much. Instead, the Commission should only approve an \$87.4 million program, half the size of Charge Smart and Save.^{5/}
2. PG&E's ownership of charging stations under Charge Smart and Save has adverse competitive impacts that are not capable of being mitigated.^{6/}

^{3/} Executive Order B-16-2012 (March 2012).

^{4/} D.16-01-045, January 28, 2016.

^{5/} TURN Opening Brief, pp. 13- 38; ORA Opening Brief, pp.11- 16; ChargePoint Opening Brief, pp. 15- 16.

^{6/} ChargePoint Opening Brief, pp. 17- 29; ORA Opening Brief, pp. 16- 19; TURN Opening Brief, pp. 38- 39; see also, Electric Vehicle Charging Association Opening Brief, pp. 11- 16; TechNet Opening Brief, pp. 10- 12.

3. PG&E should be restricted in providing charging stations for workplace charging because workplace charging is not underserved or otherwise is not a priority for EV infrastructure deployment.^{7/}
4. Cal EnviroScreen 2.0 and other Commission-approved criteria for identifying and supporting Disadvantaged Communities through enhanced EV programs should not be used as broadly as proposed by Charge Smart and Save, and the enhanced Disadvantaged Communities programs should be rejected, even though the Commission approved similar definitions and priorities for Disadvantaged Communities in its prior EV decisions.^{8/}

Nearly all the other objections to Charge Smart and Save – whether portrayed as major or minor – derive from these four primary objections.^{9/} Fortunately, the Commission has a clear path to considering and rejecting these objections, because the Commission already has addressed the same objections in its prior decisions on the SDG&E and Southern California Edison (SCE) EV programs. Despite the opposing parties’ efforts to ignore the Commission’s resolution of these same issues in the SDG&E and SCE proceedings, the facts are clear:

1. The Commission expressly approved an EV program for SDG&E that is proportional in size and cost to Charge Smart and Save, despite objections from the same parties opposing the size and cost of Charge Smart and Save here.^{10/}
2. The Commission expressly approved the same measures to mitigate the alleged competitive impacts of the SDG&E EV program as the Settling Parties have included for Charge Smart and Save.^{11/}
3. The Commission has expressly found “that both MUDs and workplaces are currently underserved by the EV charging market” and has authorized both SCE and SDG&E to target both segments.^{12/}
4. The Commission and the California Legislature have expressly found that moderate and low income customers in Disadvantaged Communities are underserved and should receive enhanced services to encourage and support EV deployment in those communities.^{13/} Disadvantaged Communities represent a key public policy

^{7/} ChargePoint Opening Brief, pp. 65- 67; TURN Opening Brief, pp. 54- 55; ORA Opening Brief, pp. 27- 28.

^{8/} TURN Opening Brief, pp. 56- 59; ChargePoint Opening Brief, pp. 70- 72.

^{9/} For example, of the 15 common recommendations made by the opposing parties as listed at pp. 11- 12 of TURN’s opening brief, 11 relate directly to these four issues.

^{10/} Settling Parties Opening Brief, pp. 25- 26.

^{11/} Settling Parties Opening Brief, pp. 26- 28.

^{12/} D.16-01-045, p. 133.

^{13/} Settling Parties Opening Brief, p. 2 and fn. 5.

consideration for the EV market. First, their participation in the EV market—through vehicle purchases and charging station usage—represent an essential step towards mainstreaming the technology. It also represents a market that can take full advantage of lower fuel costs and avoid disproportional impacts of gasoline price volatility. And these vehicles operating in Disadvantaged Communities represent a direct and immediate way to lower the air quality burden that many of these communities face. Because of its numerous programs and outreach to low and moderate income customers, PG&E is well-positioned to engage these communities through Charge Smart and Save. In both the SCE and SDG&E decisions, the Commission expressed a preference for broader definitions of Disadvantaged Communities, consistent with the Charge Smart and Save settlement’s inclusion of areas with high concentrations of CARE customers for the additional 5 percent stretch deployment goal.^{14/}

5. The Charge Smart and Save Settlement Agreement builds enhancements and unique attributes on top of the SDG&E and SCE settlements, such that the resulting PG&E EV program follows the Commission’s guidance in its prior decisions while testing and demonstrating unique EV elements in the PG&E program.^{15/}

The Settling Parties request that the Commission keep these undisputed facts in mind, and not be distracted by arguments that ignore the Commission’s prior decisions on the same facts in the SDG&E and SCE cases. Nor should the Commission be swayed by arguments that arbitrarily attempt to distinguish the elements and protections in Charge Smart and Save from the virtually identical elements and protections approved by the Commission in the SDG&E decision.^{16/}

The Settling Parties’ detailed response below to the other parties’ opening briefs is organized under the same topical headings used in the opening briefs. To the extent that the issues raised by ORA and TURN are the same as those raised by other opposing parties, Settling Parties will respond primarily to ORA and TURN arguments that address costs and impacts on utility customers. To the extent that JMP’s interests are primarily related to the treatment of

^{14/} D.16-01-023, Conclusion of Law 22: “It is reasonable to require at least 10% of charging stations be deployed in disadvantaged communities, using either a service territory-based or a state-wide definition of the term, whichever is broader. In SCE’s service territory, the state-wide definition is the broader of the two;” D.16-01-045, p. 138: “For those reasons, it is reasonable to define eligible disadvantaged communities as the top quartile of census tracts as identified by CalEnviroScreen on either a state-wide or a utility-wide basis, whichever is broader.”

^{15/} Settling Parties Opening Brief, pp. 3- 4.

^{16/} See, e.g., ChargePoint Opening Brief, pp. 23, 38. The Settling Parties also request that the Commission summarily reject the opposing parties’ legal procedural arguments which seek to deny the Commission the right to consider the Charge Smart and Save Settlement Agreement on its merits. As discussed in Section II, below, these legal arguments are frivolous and already have been rejected by the Commission in this or other proceedings.

underserved and Disadvantaged Communities, Settling Parties will respond directly to JMP's concerns. To the extent that ChargePoint's interests are primarily its own competitive position, PG&E will respond directly to those concerns and not ChargePoint's other assertions that duplicate other parties' concerns. Settling Parties' response to all other opposing parties incorporates by reference their response to these four parties to the extent not otherwise addressed.^{17/}

B. Procedural History and Positions of Settling Parties

As a threshold matter in their briefs, some of the opposing parties repeat their prior procedural attempts to prohibit the Commission from considering the merits of the Settling Parties' settlement agreement.^{18/} These attempts are not credible and should be rejected.

The argument that the scope of PG&E's proposals in this proceeding violates the September 15, 2015, Scoping Memo was rejected by the Administrative Law Judge's (ALJ's) November 2, 2015 Ruling denying the Motion to Strike filed by TURN, ORA and Marin Clean Energy. The opposing parties did not appeal that ruling to the Assigned Commissioner or full Commission, and in fact failed to mention the ALJ's Ruling at all in renewing the same previously rejected argument in their opening briefs.^{19/} In any event, under the Commission's Rules of Practice and Procedure and the Public Utilities Code, the Scoping Memo is a procedural ruling, not a substantive ruling on the merits of a formal utility application, and therefore not binding on the full Commission's ability to consider the substantive merits of the Charge Smart and Save settlement.^{20/}

Similarly, the argument that the Charge Smart and Save Settlement Agreement is not entitled to be considered as a settlement under the Commission's settlement rules is unsupported. Under Commission Rule 12.1(a), settlements may be proposed on any issue in a proceeding, and

^{17/} See, e.g., Opening Comments of Joint Minority Parties, p. 10 "Summary of Recommendations"; Opening Brief of Vote Solar, pp. 5- 7 ("Summary of Recommendations"); Opening Brief of Electric Vehicle Charging Association, pp. 6- 7 ("Summary of Recommendations"); Opening Brief of TechNet, p. iii ("Summary of Recommendations"). ChargePoint is a president of the Electric Vehicle Charging Association and the only charging service provider in TechNet.

^{18/} TURN Opening Brief, pp. 2- 6; Charge Point Opening Brief, pp. 9- 12; ORA Opening Brief, pp. 6- 7.

^{19/} Also, one of the original parties to the Motion to Strike is now a Settling Party (Marin Clean Energy).

^{20/} Public Utilities Code Section 1701.1(a), (b); CPUC Rules of Practice and Procedure 7.3.

need not be joined by all parties. Under Commission Rules 12.1(d) and 12.3, contested settlements may be subject to hearings, in which contesting parties may present evidence and testimony on the contested issues, and then the Commission decides the merits of the contested settlement. In any event, the reasonableness of a contested settlement is determined based on the entire record, not whether some or all parties supported the positions in the settlement before or after the settlement was filed. Settling Parties note that prior to the settlement in the SDG&E proceeding, only one of the parties to the SDG&E settlement did not generally support SDG&E's pre-settlement proposal.^{21/} In any event, no party objected to the admission of the Settling Parties' evidence in support of Charge Smart and Save, and the record is complete and the multi-party settlement available for a Commission decision on the merits under Rule 12.

II. BURDEN OF PROOF AND LEGAL STANDARDS

As discussed in detail in their Opening Brief and Joint Motion for Adoption of Settlement Agreement, the Settling Parties agree that they have the burden of proof to establish that Charge Smart and Save is reasonable and meets the Commission's statutory and decisional criteria for approval of the settlement under Public Utilities Code Sections 237.5, 451, 701.1, 740.2, 740.3, 740.8; Commission Rule 12; and Commission Decision Nos. 14-12-079, 16-01-023 and 16-01-045. Specifically, Public Utilities Code 740.8, as amended by Senate Bill (SB) 350 (De León, 2015), defines the "interests of ratepayers" with respect to the review of utility transportation electrification applications. D.16-01-045, the first Commission decision to apply the new statutory standard of review, found that the program design elements common to the SDG&E settlement and the Charge Smart and Save settlement met that legal standard as modified by the decision.^{22/}

III. STATUS OF PROPOSALS

The Settling Parties have accurately summarized the status of proposals before the Commission in their Opening Brief, and disagree with any inconsistent description to the contrary in opposing parties' briefs.

IV. PHASE 1 PROGRAM ISSUES AND ELEMENTS

In the sections below, Settling Parties respond to objections made by various opposing

^{21/} ChargePoint, Inc.; see D.16-01-045, pp. 40- 58.

^{22/} D.16-01-045, pp. 114-118.

parties to specific elements of Charge Smart and Save.

A. Guiding Principles

The opposing parties agree that the Charge Smart and Save settlement adopts guiding principles comparable to those approved by the Commission in the SCE and SDG&E decisions.^{23/}

B. Program Scope, Duration and Cost

1. The Smaller Program Recommended by TURN and Other Parties is Inconsistent with the Size, Cost and Duration of the SDG&E Program Approved by the Commission and Inconsistent with the Commission's Goals, Executive Order B.16-2012, and the Public Utilities Code.

TURN, ORA, ChargePoint and other opposing parties recommend the Commission authorize a two-year \$87.4 million program with virtually no DC Fast Charging stations.^{24/}

These opposing parties largely ignore the fact that the three-year Charge Smart and Save program, which contains education and outreach, DC Fast Charging, and Disadvantaged Community equity programs not in the SDG&E or SCE programs, would result in a maximum single year typical bill impact that is 4 percent *less* than what the Commission found to be reasonable and consistent with Public Utilities Code 451 in the SDG&E proceeding.^{25/} The estimated per-typical customer maximum bill impact is the metric upon which the Commission relied in D.16-01-045 to determine that the four-year (three years of sign-up, plus one year of implementation) SDG&E program, as modified by the Commission, was reasonable in size, scope and duration, and consistent with Public Utilities Code Section 451.^{26/}

Per-customer cost and size comparisons are the only way to account for the vastly different sizes of the different utilities under the Commission's jurisdiction. Nominal comparisons are inappropriate—PG&E serves four times as many customers as does SDG&E. If the Commission found that SDG&E's *four-year* program, which lacks the education and outreach, DC Fast Charging, and Disadvantaged Community equity programs included in Charge Smart and Save, is reasonable in size, scope, and duration based on a maximum single-

^{23/} See, e.g., TURN Opening Brief, p. 63; ChargePoint Opening Brief, p. 77.

^{24/} TURN Opening Brief, pp. 14- 24, 31- 35; ORA Opening Brief, pp. 11- 16; ChargePoint Opening Brief, pp. 15- 16; JMP Opening Brief, p. 13.

^{25/} Settling Parties Opening Brief, p.4.

^{26/} D.16-01-045, p. 129.

year average bill impact of \$2.64, it is not credible for the Commission to find unreasonable the size, scope and duration of a *three-year* program that contains significant additional programmatic elements and results in a *lower* typical bill impact.

It should also be noted that the maximum single-year bill impact upon which the Commission relied in the SDG&E proceeding, and the comparable estimate provided in the Charge Smart and Save Settlement Agreement, do not account for the downward pressure on rates that should result from widespread EV charging that takes advantage of spare capacity in the generation, transmission, and distribution system. Analysis conducted by the Pacific Northwest National Laboratory presented in testimony demonstrates that widespread transportation electrification could reduce rates by approximately 20 percent, lowering bills for all utility customers.^{27/}

Reducing the number of Level 2 (L2, 240V) ports by a third and gutting the DC Fast Charger (DCFC) component of the Charge Smart and Save program, as recommended by the opposing parties who support a \$87.4 million program, is not only inconsistent with the precedent set by the SDG&E decision, but also would result in a program that is simply too small for PG&E's vast service territory and too small to meaningfully contribute toward the goals established by the Commission, Governor Brown, and the California Legislature.

In D.14-12-079, the Commission reaffirmed its goal of encouraging the expansion of electric vehicle infrastructure in order to achieve the widespread use and deployment of EVs.^{28/} Executive Order B-16-2012 set a goal of deploying infrastructure to support one million ZEVs by 2020, less than four years from now. Meanwhile, Public Utilities Code 701.1, as amended by SB 350, places "widespread transportation electrification" on par with renewable energy and energy efficiency as a "principal goal of utility resource planning and investment." PG&E invests approximately \$600 million a year in energy efficiency alone.^{29/} In contrast, the Charge Smart and Save program would invest only \$160 million *over three years*, far short of the parity envisioned by Public Utilities Code 701.1.

TURN's argument that a much smaller program than Charge Smart and Save, even with

^{27/} Exh. NRDC-101, pp. 17-18.

^{28/} D.14-12-079, p. 1.

^{29/} See, e.g., D.15-01-023, p. 1; D.12-08-044, D.14-08-030, D.15-12-024, D.16-06-018.

its unique attributes compared to SDG&E and SCE, is sufficient for testing and piloting utility EV infrastructure deployment, is directly contrary to California’s EV and clean transportation needs. It also ignores the Commission’s generic findings on utility EV programs in its SDG&E decision. TURN cites no evidence that a small scale EV program with less data, less customer outreach, and shorter duration will provide better metrics and experience for the Commission’s evaluation of Phase 2 programs. Importantly, TURN’s smaller program will not make meaningful progress towards California’s clean transportation goals adopted in SB 350, SB 1275 (De León, 2014, “The Charge Ahead California Initiative”), and Executive Order B-16-2012, which set a goal of deploying infrastructure sufficient to support one million ZEVs by 2020 – *five to ten times* the number of EV charging stations proposed by TURN and ORA.^{30/}

From a practical standpoint, the Settling Parties recognize EV infrastructure deployment is no small task, and believe a shorter Phase 1 program will significantly diminish the ability for PG&E to successfully execute or evaluate program performance. An initial Phase 1 EV program that only collects data and results from a small number of EV charging stations over only a 2-year period is not likely to provide sufficient data or information to adequately evaluate the benefits of a larger scale program or inform changes necessary for a broader scale roll-out throughout PG&E’s service area. A program of only 2,510 L2s and only 10 DCFCs yields only approximately 290 sites.^{31/} With these sites split among underserved workplaces, MUDs and Disadvantaged Communities, across varying geographies and customer types, there would be a limited number of each type of site, which would result in an insufficient sample size to inform the Phase 2 deployment program.^{32/} Likewise, limiting the duration to two years, including an initial ramp-up period, is simply too short to gather sufficient trends and data.^{33/}

The Charge Smart and Save settlement would deploy essentially the same number of charging stations as would PG&E’s “Enhanced” proposal, but with a budget that is 40 percent smaller. Further reducing the budget and the deployment goals of the program, and virtually eliminating the unique DCFC component of the program, is inconsistent with the Commission’s goals, Executive Order B-16-2012, and the Public Utilities Code.

^{30/} Settling Parties Opening Brief, pp. 11- 15.

^{31/} Exh. PGE-3, pp. 2- 3.

^{32/} *Id.*

^{33/} *Id.*

The Commission rejected TURN's and ORA's cost, size and duration arguments in its SDG&E decision, and it should do the same here:

“In order to adequately design and test the [EV] rate under a variety of circuit conditions, while deploying EV charging infrastructure in sufficient quantities and minimizing the impact on SDG&E's ratepayers, a pilot program larger than the programs suggested by ORA, TURN, UCAN, and others, should be adopted.”^{34/}

2. Contrary to TURN, Charge Smart and Save Will Not Create Significant Risk of Stranded Assets and Costs.

TURN further argues that Charge Smart and Save presents significant risks of stranding \$70 million in ratepayer investments.^{35/} TURN provides no record evidence to support its claim, and in fact the structure and ratepayer protections in Charge Smart and Save effectively mitigate the risk of stranded costs and assets.

First, the size and duration of Charge Smart and Save have been reduced significantly from PG&E's original proposal, with a more specific focus on leveraging PG&E's utility and community skill sets to reach market segments (MUDs, workplaces and Disadvantaged Communities) that are underserved and most likely to be able to make use of new EV infrastructure and accelerate EV adoption. Second, the duration of Charge Smart and Save is only three years, which provides a “hard stop” on siting and installation of EV infrastructure until the Commission has an opportunity to review and evaluate the initial results.^{36/} Third, Charge Smart and Save provides that EV infrastructure, including charging stations, is subject to utility easements or licenses that allow successor site hosts and EV drivers to access EV charging facilities even if the original site host and/or EV drivers/tenants change. Unlike the “make ready” model, Charge Smart and Save makes it less likely that changes in site ownership or site hosts will lead to premature stranding of useful, operable EV assets. Fourth, also unlike the “make ready” model, Charge Smart and Save requires the utility, under the direct regulation and oversight of the Commission, to maintain and keep the EV charging facilities operable and available, in accordance with utility safety and O&M standards.

TURN's “stranded assets” argument is not credible and should be rejected.

^{34/} D.16-01-045, p. 127.

^{35/} TURN Opening Brief, p. 25.

^{36/} Charge Smart and Save provides an opportunity for a year of “bridge funding” if the Commission is unable to make a timely decision on a PG&E Phase 2 program.

3. TURN's Specific Cost Disallowance Recommendations Are Not Supported by the Record and Would Hurt EV Drivers and Utility Customers.

TURN asserts that the costs of even a “compliant” \$87.4 million PG&E EV program are excessive, when approximately \$37 million in alleged savings from various specific cost disallowances are considered.^{37/} In lieu of reducing the \$87.4 million, TURN proposes that the alleged excessive costs be allocated to install as many Level 1 (L1, 120V) and L2 chargers as possible during a transition period after TURN's recommended two-year Phase 1 period.^{38/}

Settling Parties appreciate TURN's recognition of the need for funding to keep utility EV programs functioning during the transition period between the end of Phase 1 and Commission review and approval of a Phase 2 program. In addition, the terms of the Charge Smart and Save already specify: “Any cost savings on site-specific deployment costs will be used for additional deployment not to exceed the cost cap.”^{39/} However, TURN's alleged “cost savings” are either unsupported by the record, would severely reduce the customer and EV market benefits of the Charge Smart and Save program, or are based on TURN's different “make ready” proposal for utility EV programs that was rejected in the SDG&E decision. The following is a point-by-point response to each of TURN's proposed cost disallowances:

- *\$24.3 million savings by using multi-port L2s for all charging stations*^{40/} –

Settling Parties Response: TURN's assumption that all Charge Smart and Save chargers will be multi-port is an idea that the Settling Parties have analyzed throughout the process. However, after thorough consideration, it was determined that this is unrealistic. This is because in many commercial and MUD locations, there may not be sufficient space or demand at a site. To address this mix of customer and EV driver needs, it is more realistic to assume a mix of multi-port and single port stations, as PG&E and the Settling Parties have done in Charge Smart and Save. TURN's \$24 million savings estimate should be rejected.

- *\$23 million savings by rejecting utility ownership of chargers, reducing rebates to site hosts, requiring the use of L1 chargers, and limiting the DCFs to 10*^{41/} --

Settling Parties Response: TURN's savings rely on the Commission rejecting the

^{37/} TURN Opening Brief, pp. 19- 20.

^{38/} *Id.*, p. 23.

^{39/} Exh. JOINT SETTling PARTIES-1, *Charge Smart and Save Settlement Agreement*, p. 4.

^{40/} *Id.*, pp. 19- 20.

^{41/} *Id.*, pp. 20- 21.

“turnkey” convenient, site-host- and EV driver-friendly utility ownership model proposed by Charge Smart and Save. The “turnkey” offering to customers is a cornerstone of Charge Smart and Save and, while Settling Parties believe that L1 chargers have potential applications, it is premature to suggest that a minimum requirement is necessary, beneficial, or preferred at these locations. Further, TURN’s insistence on including L1 charging stations is overstated – as their low power output provides significantly less capability and flexibility for future load management, particularly when responding to the rapid fluctuations in renewable generation and using EVs as distributed energy resources to balance intermittent generation sources. Making site hosts pay for and own charging stations, and requiring site-hosts to choose L1 stations, is contrary to the Commission’s “site host choice” model approved in its SDG&E decision. Capping the deployment of DCFC to a mere 10 stations would render that portion of the program almost meaningless and contradicts the Commission’s goal to test different models in different service territories. As noted by American Honda during hearings, DC Fast Charging sells cars.^{42/} These TURN savings should be rejected.

- *\$2.825 million savings by eliminating two web-based tools for customers and site-hosts, the site-host online application portal and the cost of ownership tool set^{43/} –*

Settling Parties Response: TURN claims that existing public web-based tools for utility customers and EV drivers are sufficient to support the needs of site-hosts and utility customers who want specific cost data on EV siting and EV driving savings using PG&E-specific rates and locations. TURN’s claim is unsupported and incorrect – public EV “calculators” do not provide the level of PG&E-specific EV siting and EV driving cost data that Charge Smart and Save’s personalized, unique web-based tools would provide. Utility-specific tools and data are what customers and site hosts want and need to make real-world decisions on the location of EV infrastructure and their EV purchasing decisions. PG&E’s utility-specific web-based tools are similar to the types of web-based tools and rate calculators that the Commission has supported and in fact mandated in other proceedings.^{44/}

PG&E’s Cost of Ownership Tool Set is designed to complement the Charge Smart and Save Program while also supporting broad-based EV adoption by providing a resource for all PG&E customers to better understand the cost savings and benefits as a result of EV ownership. TURN’s claim that “any potential EV buyer’s ‘existing usage,’ based on their home meter, would have absolutely no impact on the cost calculation of the benefits of purchasing an electric vehicle” shows a lack of understanding regarding the needs of EV drivers and PG&E’s Charge Smart and Save Program. While TURN is correct that the Charge Smart and Save Program will install charging stations located at workplaces and other longer dwell locations, they do not recognize that these stations also will complement a customer’s charging at home. Therefore it is critical to take a customer’s

^{42/} Tr.Vol.4, April 27, 2016, 459:14 (Honda/Harty).

^{43/} TURN Opening Brief, pp. 21- 22.

^{44/} See, e.g., D.15-07-001, *Decision on Residential Rate Reform for Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas and Electric Company and Transition to Time-of-Use Rates*, July 3, 2015, pp. 257- 260.

unique home energy consumption into consideration when providing them a clear comparison of the cost savings and benefits of owning an EV. Further, it is important to emphasize that the tool set is designed to provide critical information from the utility along with third-party data (e.g. available incentives) to provide users a central location for relevant EV ownership information. Currently, consumers lack a central location for this information which continues to be a barrier to increasing EV adoption.

It is important to emphasize that each IT project is unique and is developed to meet the specific requirements of the program it supports. TURN references the online applications of both the Self Generation Incentive Program (SGIP) and the Electric-Renewable Market Adjusting Tariff (ReMAT). However, these programs are significantly different from and lack the necessary requirements for the Charge Smart and Save program. For example, the Charge Smart and Save Program will require site hosts to select from a list of qualified charging service providers, submit legal documents online, and provide the ability for site hosts to track each step of the installation process. These are specific requirements that are not available via the SGIP or ReMAT portals and will need to be developed for the Charge Smart and Save Program. TURN's \$3 million disallowance of these customer-facing tools should be rejected.

- *Unspecified savings from reductions in PG&E's capital and expense contingency amounts*^{45/} –

Settling Parties Response: Charge Smart and Save's capital and expense contingency estimates are consistent with Commission-approved contingency amounts for similar equipment and activities in other proceedings, including General Rate Cases.^{46/} TURN's implication that these amounts should be subject to some unspecified disallowance should be rejected as unsupported and contrary to Commission ratemaking principles.

4. TURN's Attach Rate Analysis is Flawed and Should be Rejected. In Any Event, the Phase 2 Attach Rate Issues Raised by TURN Are Outside the Scope of This Phase 1 Proceeding.

TURN argues that the evidence supports an 8 to 1 "attach rate" for EV commercial charging needs, or possibly even a 15 to 1 attach rate.^{47/} According to TURN, a 15 to 1 attach rate would mean that Charge Smart and Save would meet the entire 2020 need of all EV drivers in PG&E's service area for EV charging at commercial locations.^{48/}

Aside from its apparent endorsement of California's 2020 EV infrastructure goals (100,000 charging stations in PG&E's service area by 2020), TURN's attach rate analysis is flawed and in any event outside the scope of this Phase 1 proceeding.

^{45/} TURN Opening Brief, p. 43.

^{46/} Exh. PGE- 4, p. 26.

^{47/} TURN Opening Brief, pp. 32- 35.

^{48/} *Id.*, p. 32.

First, TURN argues that corrections to PG&E's attach rate analysis lead to an attach rate of 15 to 1 that translates to a "need" of only 6,675 EV chargers at workplaces to support the 400,000 EVs needed in PG&E's service area to meet California's one million goal.^{49/} This is erroneous, because an extreme 15 to 1 attach rate as postulated by TURN would require 21,333 workplace EV chargers, not 6,675.^{50/} Even under this extreme (and disputed) assumption, PG&E's program would develop just one third of the 2020 need.

Second, TURN assumes that every EV charging location will be sufficient for varying EV driver needs and demands if the total number of commercial EV chargers system-wide averages one for every 15 EV drivers. This seems unrealistic given that different segments of the market and different geographical locations will require lower attach rates because of varying EV driver needs and demands.

Third, TURN arrives at its 15-to-1 attach rate by assuming that "home dominant" charging at MUDs will only comprise 20 percent of PG&E's Phase 1 program or otherwise require one charger port per eight MUD tenants who need overnight charging.^{51/} That also seems unrealistic, given that Charge Smart and Save's goal is 50 percent at MUDs, with a minimum of 20 percent, and thus the need for MUD "home charging" at a 1-to-1 attach rate is likely to be much greater than TURN's assumption, and thus require a lower overall attach rate.

Fourth, TURN assumes that the average "range" of EVs in PG&E's service area is 90 miles.^{52/} TURN uses only evidence of mileage ranges for *new* vehicles registered in PG&E's service area in 2015, not the average of *existing* EVs or the actual experienced range of the vehicles.^{53/} TURN also uses EPA mileage range estimates, not actual individual vehicle mileage ranges experienced by actual EV drivers, an important correction that PG&E's expert witness pointed out on cross-examination.^{54/}

TURN's attempt at developing its own attach rate analysis, independent of EPRI and

^{49/} *Id.*, p. 32 and fn. 108.

^{50/} Needed commercial chargers at 15 to 1 attach rate= $(80\% \times 400,000) / 15 = 21,333$.

^{51/} TURN Opening Brief, pp. 32- 33.

^{52/} *Id.*, pp. 34- 35.

^{53/} *Id.*

^{54/} Tr. Vol. 4, April 27, 2016, 339:12 to 340:1 (PG&E/Metcalf).

NREL, illustrates the flaw in relying on an attach rate analysis for a relatively small, Phase 1 program such as Charge Smart and Save. Any such analyses will assume a variety of attach rates for charging outside of home; but it is simply too early to suggest that any analyses are correct/incorrect—what Charge Smart and Save is focused on is placing chargers in locations to support and complement the market for evaluation of potential larger programs in the future – which means there is not an attachment issue in this phase of the Commission’s EV proceedings.

Regardless, neither TURN’s nor PG&E’s assumed attach rates are actually representative of real driving conditions. However, PG&E’s analysis used conservative numbers (a 4 to 1 overall attach rate under conservative “home dominant” charging scenarios), reinforced by independent researchers at NREL and EPRI.

In any event, TURN’s speculation on what attach rate to apply to California’s 2020 EV charging goals is irrelevant and outside the scope of this proceeding, because the Assigned Commissioner and ALJ provided guidance that achieving California’s overall numerical goals for EV infrastructure and transportation electrification through PG&E’s full-scale EV infrastructure program are for consideration in its Phase 2 program, not for the sizing of its Phase 1 pilot program.^{55/} TURN’s assertions that its proposed “attach rate” assumptions would achieve California’s overall EV goals are outside the scope of this proceeding, and more appropriate for consideration in the Commission’s Phase 2 proceedings.

5. ORA’s “Lack of Utility Experience” Argument is Not Supported by the Record or the Commission’s Other EV Decisions.

ORA argues that the Commission cannot approve Charge Smart and Save because it does not contain sufficient details to determine if it complies with the Commission’s criteria for approving utility EV programs.^{56/} In particular, ORA asserts that Charge Smart and Save lacks details on key elements of the program, such as siting methodology; differences among market segments; exemptions from participation payments; the role of site hosts; the number of network providers; the site hosts’ required load management plans; and the relationship between site hosts and EV drivers.^{57/}

^{55/} *Joint Assigned Commissioner and Administrative Law Judges’ Scoping Memo and Ruling*, A.15-02-009, September 4, 2015, p. 7.

^{56/} ORA Opening Brief, pp. 11- 16.

^{57/} *Id.*, p. 12.

ORA's "lack of utility experience" argument is unsupported by the record and contrary to the Commission's other EV decisions. In particular, Charge Smart and Save leverages the Commission's SDG&E and SCE decisions by including the same key criteria and descriptions for siting methodology, distinctions among market segments, eligibility for participation payment exemptions, the role of site hosts and their relationship to EV drivers, as well as the site hosts' required load management plans. For example, the Charge Smart and Save Settlement Agreement includes detailed criteria and descriptions of competitively-neutral EVSE technology procurement procedures that support the public policy benefits of a technology-neutral, transparent program and are virtually identical to the criteria and processes approved by the Commission for SDG&E's similar EV program.^{58/} Charge Smart and Save includes market segment definitions and site host participation payment criteria endorsed by the Commission in its prior decisions and in some cases more detailed than in either the approved SDG&E or SCE programs.^{59/} In the case of load management programs, Charge Smart and Save includes specific existing load management programs and tools that PG&E will leverage to expand and facilitate load management incentives and initiatives for site hosts and EV drivers.^{60/} To optimize EV infrastructure siting, Charge Smart and Save includes detailed requirements for PG&E to use new distributed energy resource siting and capacity hosting tools from the Commission's Distribution Resource Plan (DRP) proceedings.^{61/}

The record shows that PG&E has extensive experience in infrastructure planning, design and deployment, and that its plans for coordinating and collaborating with site hosts, Electric Vehicle Supply Equipment (EVSE) providers, utility customers, automobile manufacturers, and EV drivers are as detailed and well-thought out as those submitted and approved in the SDG&E and SCE proceedings.

^{58/} Exh. JOINT SETTLING PARTIES-1, *Charge Smart and Save Settlement Agreement*, Sections 9, 10, 11 and 12, pp. 11- 12; Appendix C.

^{59/} *Id.*, Sections 8 and 15, pp. 10- 13.

^{60/} *Id.*, Section 6, pp. 9- 10.

^{61/} *Id.*, Section 7, p. 10. Charge Smart and Save's DRP-related elements also respond proactively to VoteSolar's request for closer coordination between the utility EV programs and the Commission's distributed energy resource integration policies. Tr.Vol. 5, April 28, 2016, 576:21 to 577:19 (Vote Solar/Baak).

C. Ownership: Applying the Utility EVSE Ownership Balancing Test

ChargePoint claims that Charge Smart and Save fails to comply with the Commission's balancing test for utility ownership of EV charging stations because: (1) The Settling Parties' assessment of the EV supply equipment (EVSE) market and market concentration is not reasonable or accurate; and (2) Charge Smart and Save will have adverse impacts on competition and innovation in EVSE markets that are not mitigated by the provisions of Charge Smart and Save that are identical or comparable to those approved by the Commission in its SDG&E decision.^{62/} Charge Point's claims are contrary to both the record evidence in this proceeding and to the findings by the Commission in response to similar arguments in the SDG&E case.^{63/}

First, ChargePoint argues that the Settling Parties have not identified any "case-specific" measures to mitigate any potential anticompetitive impacts of Charge Smart and Save.^{64/} This is patently false; in fact, Charge Smart and Save and the Settling Parties have identified specific mitigation measures taken directly from the SDG&E decision to address any potential anticompetitive impacts:

- Under Charge Smart and Save, "site hosts or their designees, can choose the [TOU] Rate-to-Host option, which allows site hosts to offer a similar [TOU] rate or other pricing option to EV charging customers" (Language pulled from D.16-01-045 with "VGI" replaced with "TOU").^{65/}
- Likewise, as in D.16-01-045, Charge Smart and Save, "allows the site host or its designee to select the EVSE and related EV charging services from preapproved vendors, which allows third party providers to offer competing EVSE and EV charging services."^{66/}
- Likewise, as in D.16-01-045, under Charge Smart and Save, "the site host would have

^{62/} ChargePoint Opening Brief, pp. 19- 25.. ChargePoint makes additional competition-related arguments regarding the impacts of Charge Smart and Save's EVSE procurement, site hosting and TOU rate proposals on innovation and site host choice. Settling Parties respond to these arguments in sections IV. E.F. and G, below. In addition, ORA and TURN make similar claims regarding alleged adverse competitive impacts of Charge Smart and Save, but provided no factual evidence to support their claims. The Commission should give ORA's and TURN's competition arguments little or no credence.

^{63/} Compare, D.16-01-045, pp. 117- 118, rejecting nearly identical arguments against SDG&E's ownership of EV charging stations.

^{64/} ChargePoint Opening Brief, pp. 22- 23.

^{65/} D.16-01-045, p. 109.

^{66/} *Id.*

to pay a participation fee which will help offset a portion of EV charging infrastructure costs.” (Also consistent with D.16-01-045, revenue from the Charge Smart and Save participation payment will be used to defray operation and maintenance expenses.)^{67/}

Second, ChargePoint alleges that PG&E and the other Settling Parties have unreasonably assessed the impact Charge Smart and Save will have on EVSE market concentration in PG&E’s service area.^{68/} In particular, ChargePoint cites its witness’ testimony asserting that PG&E “widely underestimated” its forecast 7.5 percent market share in 2020.^{69/} Again, ChargePoint’s representation of the record evidence on market concentration is inaccurate and misleading.

In fact, PG&E performed a quantitative market concentration analysis consistent with U.S. Department of Justice antitrust guidelines and California’s EV deployment goals. PG&E’s market concentration analysis fully supported its estimate of a 7.5 percent market share in 2020.^{70/} More importantly, PG&E’s analysis demonstrated that, again consistent with U.S. Department of Justice guidelines, PG&E’s entry into the EVSE market would *reduce* market concentration and *improve* competition, compared to the existing EVSE market currently dominated by only a few EVSPs.^{71/} PG&E was the only party in the proceeding to perform a quantitative market concentration analysis – not even ChargePoint’s expert witness performed such an analysis:

MR. WARNER: Q Am I also correct, Dr. Cicchetti, from the perspective of the Department of Justice and the Federal Trade Commission, the HHI index is classified generally into three categories based on the HHI numbers in which a market is determined to be unconcentrated with an HHI below 1500, moderately concentrated with an HHI between 1500 and 2500, and highly concentrated for an HHI above 2500; is that correct?

A I’m not sure. The cutoff that I’m used to seeing at least in the energy sector is 1800 not 1500; but for that, the answer is yes.

Q Am I correct your testimony did not perform a full HHI market concentration analysis of the PG&E current – strike that -- of the current market for electric vehicle charging equipment and services in PG&E’s service area?

^{67/} *Id.*

^{68/} ChargePoint Opening Brief, pp. 20- 21.

^{69/} *Id.*, p. 20.

^{70/} Exh. PGE-3, pp. 24- 26, and Table 7, Commercial EVSP Market Concentration.

^{71/} *Id.*

A It did not.

Q Am I also correct that your testimony did not perform an HHI market concentration analysis of the forecast concentration in the PG&E service area based on PG&E's entry into that market?

A No. I calculated under the assumption that PG&E would drive competition out of the market. I calculated the incremental component to HHI that PG&E would represent. That is all I did.

Q So you did not calculate any other entities' HHI or market share for purposes of that analysis?

A I did not.

Q As part of your HHI analysis and review of market impacts, did you evaluate ChargePoint's current market share in the relevant geographic and product market?

A I didn't evaluate it.

Q Do you know what it is?

A I've seen a reference. Sitting here I can't remember where. They might have 70 percent market share under some definition of product and geography.

Q In PG&E's service area?

A I think that was the analysis that I'm familiar with.^{72/}

Third, ChargePoint argues that Settling Parties have failed to identify in the record any benefits of utility ownership of EV charging stations. This is also inaccurate. In fact, Settling Parties and PG&E, like the Commission in its SDG&E decision, have identified significant benefits of utility ownership. The Charge Smart and Save Settlement Agreement enumerates the following benefits of utility ownership:

1. Electrical service that conforms to utility safety standards because “all of the construction and installation of the EV charging infrastructure will be performed safely, and to code, by licensed electrical contractors with EV infrastructure training certification;”^{73/}

^{72/} Tr. Vol. 4, April 27, 2016, 353:7 to 354:13; 357:5- 17 (ChargePoint/Cicchetti). On re-direct examination by his counsel, Dr. Cicchetti confirmed ChargePoint as the unidentified EVSP with a 70 percent market share listed in Exh. PGE-4, pp. 14 to 15. (Tr.Vol. 4, April 27, 2016, 379:24 to 380:6 (ChargePoint/Cicchetti)).

^{73/} Compare, D.16-01-045, p. 114, fn.30, to Exh. JOINT SETTLING PARTIES-1, *Charge Smart and Save Settlement Agreement*, p. 6 (“Safety Considerations”).

2. More reliable electrical service by using time-of-use price signals and other load management strategies that shift EV load to hours of the day when there is spare capacity in the grid;^{74/}
3. More reliable electrical service by leveraging PG&E's Distributed Resource Plan Integration Capacity Analysis to improve site selection;^{75/}
4. Less costly electrical service due to improved integration of renewable generation that will result from using time-of-use rates as a foundation for load management upon which more sophisticated forms of load will be evaluated to identify an "Advanced EV Grid Support" program to be deployed in Phase 2;^{76/}

PG&E in its testimony concisely identified the benefits of utility ownership of EV charging stations in order to provide "turnkey" programs for site hosts and EV drivers:

PG&E has designed its EV Program to offer a "turnkey" solution for site hosts of EV charging stations. See Figure 3 below for a visual representation. This will be a successful model for utility EV infrastructure, as the turnkey model removes many of the barriers of EVSE deployment to the site host. PG&E's EV Program reduces much of the cost to site hosts—aside from providing parking locations.

Today, cost is a primary challenge to site hosts interested in installing charging stations. PG&E will purchase and install equipment procured from the competitive marketplace, and own the infrastructure, including the service connection, supply infrastructure and charging equipment. PG&E ultimately will be responsible for the operations and maintenance of the charging equipment, through contracts with equipment and service providers as partners in the program delivery and ongoing operations.

PG&E's EV service partners (PG&E's customer of record) will buy the electricity from PG&E to resell to EV drivers at agreed upon prices. In addition to avoiding upfront costs, site hosts will not incur ongoing operations or maintenance costs, nor have direct obligations related to permitting and other obstacles. By offering this turnkey approach PG&E intends to address deterrents to installation and ensure ongoing operability of the chargers.

This turnkey approach will encourage participation at the intended deployment locations: workplaces, multi-unit dwellings, and public/retail locations throughout its service territory.^{77/}

^{74/} Exh. JOINT SETTLING PARTIES-1, *Charge Smart and Save Settlement Agreement*, p. 6 ("Metering and Billing – 'TOU Rate-to-Driver' and 'TOU Rate-to-Host' Billing Options.").

^{75/} Exh. JOINT SETTLING PARTIES-1, *Charge Smart and Save Settlement Agreement*, Section 7, p. 10.

^{76/} Exh. JOINT SETTLING PARTIES-1, *Charge Smart and Save Settlement Agreement*, Section 6, p. 10.

^{77/} Exh. PGE-3, pp. 16- 17 (PG&E/Corey).

These affirmative benefits of utility ownership are consistent with the Commission’s own findings of fact in both its SDG&E and SCE decisions, including, *inter alia*, that “There is value in [the utility] retaining 100 percent ownership of the EV charging stations for this pilot program to ensure that all of these ratepayer-funded charging stations are working and remain available for EV charging.”^{78/}

Settling Parties understand that ChargePoint’s competition arguments may be motivated by the business interests of ChargePoint and its private investors. However, it remains unclear why ChargePoint fully supports the competitively-neutral provisions and protections in the SDG&E decision but opposes the same, virtually identical provisions proposed by the Settling Parties and included in Charge Smart and Save here. Settling Parties acknowledge ChargePoint’s business interests; similarly, the Settling Parties recognize that all EVSPs can be a vital part of a successful regional and national EV market. Much like the competitively-neutral provisions and protections in the SDG&E decision, the Charge Smart and Save proposal seeks to leverage competitively-neutral provisions that enable EVSP participation and engagement – provisions that ChargePoint supported in the SD&E decision.

As noted above, ChargePoint’s expert witness on competition provided no market concentration analysis of either PG&E’s service area or SDG&E’s service area that directly indicated any differences that would justify stricter competition standards in PG&E’s service area than ChargePoint supported for SDG&E. However, both PG&E and SDG&E did provide their own market concentration analyses using the U.S. Department of Justice’s HHI criteria.^{79/} SDG&E’s analysis indicated that, as of early, 2015, before implementation of the SDG&E program, the SDG&E EVSE market was highly concentrated, with an HHI index of 4,200, compared to PG&E’s calculated HHI of 3,600. More significantly, SDG&E calculated that ChargePoint’s SDG&E market share was 22 percent, compared to ChargePoint’s 70 percent PG&E market share prior to implementation of PG&E’s program.^{80/} These different

^{78/} D.16-01-045, Finding of Fact 61, p. 171.

^{79/} Exh. PGE-3, pp. 24- 26, and Table 7, Commercial EVSP Market Concentration; *Prepared Supplemental Testimony of San Diego Gas & Electric Company*, Ex. SD-7 (Pulliam) ST-13 to 19, A.14-04-014.

^{80/} *Prepared Supplemental Testimony of San Diego Gas & Electric Company*, Ex. SD-7 (Pulliam) A.14-04-014. ST-26 to ST-27.

ChargePoint market shares for SDG&E compared to PG&E indicate one possible motivation for ChargePoint's widely different positions in both proceedings.

ChargePoint's competition arguments are not substantiated by the data, contrary to the record, and inconsistent with the Commission's findings in its SDG&E decision. The Settling Parties have proposed a program that provides clear conditions for competitive protection, while creating an offering that is intended to benefit site hosts and EV drivers first and foremost and increase access to reliable, affordable EV charging.

D. Reasonableness of Costs; Ratepayer Costs and Benefits

TURN argues that the costs of Charge Smart and Save are unreasonable, because none of the costs of Charge Smart and Save will provide any demonstrable benefits to ratepayers under the criteria of Public Utilities Code Section 740.3(c), and in any event, the costs of Charge Smart and Save are "much higher" than necessary.^{81/} In particular, TURN claims that the TOU, load management and renewables integration benefits of Charge Smart and Save are unlikely to be realized.^{82/} To the contrary, Charge Smart and Save includes requirements for TOU pricing, load management program development, and renewables integration that are far more detailed than the Commission approved for both the SDG&E and SCE programs.^{83/} TURN's argument that "merely using" a TOU price signal and other load management strategies "is not guaranteed to shift EV load...or 'improve integration of renewable generation,' is belied by the express support of the Commission and numerous stakeholders for TOU pricing and other load management programs to more cost-effectively integrate customer load and renewables integration."^{84/} PG&E's annual load research report has shown that TOU rates are effective at incenting EV load to shift to off-peak times.^{85/}

TURN and ChargePoint argue that the costs of Charge Smart and Save, particularly the costs of DC fast charging stations, are much higher than necessary, when compared to other cost

^{81/} TURN Opening Brief, pp. 40- 43.

^{82/} *Id.*, pp. 41- 42.

^{83/} Exh. JOINT SETTLING PARTIES-1, *Charge Smart and Save Settlement Agreement*, Sections 6 and 7, pp. 9- 10.

^{84/} See, e.g., D.15-07-001, pp. 129, July 3, 2015.

^{85/} See A.14-04-014, 4th Joint IOU Electric Vehicle Load Research Report: December 2015, pp. 27-28.

benchmarks such as the Energy Commission’s grants for DCFCs.^{86/} In fact, TURN and ChargePoint’s DCFC cost comparisons are incorrect – they fail to account for the CEC grant’s (GFO-15-603) required minimum 25 percent cost share - which may in fact be higher in practice – as specified within the award. The program cost for 61 DCFCs at 41 sites is \$11.5 million, not \$9 million. This results in an average cost of at least \$188,000 per DCFC port and \$280,000 per DCFC site. These costs are in fact comparable to PG&E’s estimates.^{87/} Charge Smart and Save’s DCFCs are needed in order to promote EV deployment consistent with expanded EV markets; as Honda’s witness testified, “DC fast charging, it sells cars.”^{88/} In addition, Charge Smart and Save’s DCFCs are unlikely to carry any significant risk of stranded assets, because unlike proprietary DCFCs, Charge Smart and Save’s “open source” equipment will be capable of serving any DCFC-capable vehicle on the market.

TURN’s other arguments regarding Charge Smart and Save’s allegedly unnecessary or excessive costs are addressed in Section IV.B.3, above.

E. Choice and Procurement of Charging Technology; Supplier Diversity

ChargePoint argues that Charge Smart and Save’s adoption of EVSE procurement standards and choice of charging technology similar to those approved for SDG&E does not in fact ensure site host choice of EVSE and unfairly constrains innovation and private investment.^{89/} For example, ChargePoint alleges that Charge Smart and Save does not allow providers and equipment to be chosen by the site host from a list that is pre-qualified through an open, fair and transparent straightforward process.^{90/} According to ChargePoint, a “rolling pre-qualification process” for vendors is needed in order to accommodate advancements in products and services.^{91/} Furthermore, ChargePoint argues that Charge Smart and Save’s Level 2 Request

^{86/} TURN Opening Brief, p. 42; ChargePoint Opening Brief, p. 30.

^{87/} California Energy Commission, Notice of Proposed Award, Grant Solicitation GFO-15-601 DC Fast Chargers for California’s North-South Corridors February 16, 2016, http://www.energy.ca.gov/contracts/GFO-15-601_NOPA.pdf; Grant Funding Opportunity (GFO-15-601, July 27, 2015, <http://www.energy.ca.gov/contracts/GFO-15-601/> .

^{88/} Tr.Vol. 4, April 27, 2016, 459:14 (Honda/Harty).

^{89/} ChargePoint Opening Brief, pp. 33- 36.

^{90/} *Id.*, p. 31.

^{91/} *Id.*, p. 32.

for Proposals (RFP) process constrains site host choice, because site hosts' choices must be consistent with the goals of the program, and PG&E, not the site host, will be the ultimate decision-maker and purchaser of EVSE and services.^{92/} ChargePoint further argues that PG&E may choose to procure EVSE separately from network operating services, thus precluding vendors from requiring site hosts to purchase vendors' network services as a condition of buying the vendor's other EV charging equipment and services.^{93/} ChargePoint claims that market participants such as itself should be able to participate in the Advisory Council's review of EVSE equipment and services procurements and contracts.^{94/}

ChargePoint's arguments are inaccurate and not supported by the verbatim language of the Charge Smart and Save settlement, which provides the same competitively-neutral EVSE procurement process as the Commission approved (and ChargePoint supported) for SDG&E.

Consider the following nearly-identical language from the SDG&E decision and the Charge Smart and Save settlement:

SDG&E: "VGI Facility site hosts will choose electric vehicle supply equipment ("EVSE") and related services from a list of vendors pre-qualified by SDG&E for the 2016 VGI Pilot Program. ... Third party vendors of EVSE and services pre-qualified by SDG&E for the 2016 VGI Pilot Program may offer and contract with the VGI Facility site host to provide any additional or complementary services, such as vehicle to grid, as long as these services do not interfere with the objectives of the 2016 VGI Pilot Program. Specifically, such services may not include activities, agreements, arrangements, policies or procedures that inhibit the ability of the EV driver or VGI Facility site host to respond to the pricing signal of the VGI rate."^{95/}

Charge Smart and Save: "Site Hosts may choose Level 2 (L2) EVSE and services from a list of pre-qualified options that meet the goals of Charge Smart and Save, including providing for base charging functionality and load management capability, a positive driver experience, and prudent expenditure of ratepayer funds. ... PG&E will establish an annual qualification process in order to foster innovation and competition in EV products and services. PG&E will contract with third parties to provide operating systems and related hardware to control EVSE networks to implement the PG&E program. It is PG&E's aim to specify "what" is required to be achieved per the objectives of the Program, and not "how" these

^{92/} *Id.*, p. 33.

^{93/} *Id.*, pp. 34- 35.

^{94/} *Id.*, p. 76.

^{95/} D.16-01-045, Attachment 2, Sections 9 and 12, p. 6.

requirements are met. This is intended to leverage the EVSP market expertise and foster innovation. EV charging equipment and services providers pre-qualified by PG&E for the Charge Smart and Save may offer and contract with the EV Site Host or PG&E to provide any additional or complementary services, as long as those services do not interfere with the objectives of the Program.”^{96/}

SDG&E: “Third-party vendors pre-qualified by SDG&E for the 2016 VGI Pilot Program, in coordination with SDG&E customer contact personnel, will market and sign-up potential VGI Facility site hosts to participate in the 2016 VGI Pilot Program in the two targeted customer segments (MUD and workplace settings), and in any other customer sub-segments identified in this Attachment (e.g., Disadvantaged Communities and housing or sites that support car-sharing entities). Responses to the RFP should reflect this requirement. ... Competitively neutral descriptions of the VGI Rate plans will be prepared by SDG&E and shall be used by third parties; third parties shall be permitted to develop and utilize their own marketing materials at their own expense, consistent with and subject to SDG&E’s Co-branding Policy and approval process.”^{97/}

Charge Smart and Save: “Third party EV charging equipment and service providers pre-qualified by PG&E for the Program, in coordination with PG&E customer contact personnel and CCAs (where applicable), will market and sign up potential EV Site Hosts to participate in Charge Smart and Save in the targeted customer segments, and in any other customer sub-segments identified in the Settlement Agreement (e.g., Disadvantaged Communities and housing or sites that support car-sharing entities or EV fleets). Responses to the RFP should reflect this requirement. Competitively neutral descriptions of Charge Smart and Save will be prepared by PG&E and shall be used by third parties; third parties shall be permitted to develop and utilize their own marketing materials at their own expense, consistent with and subject to PG&E’s Co-branding Policy and approval process.”^{98/}

In addition to these nearly identical “competitive neutrality” and “site host choice of technology” provisions, both Charge Smart and Save and the SDG&E decision include detailed requirements for transparency and competitive-neutrality in the RFP process itself, such as detailed criteria for the conduct and evaluation of competitive procurement of EVSE and related services.^{99/}

^{96/} Exh. JOINT SETTling PARTIES-1, *Charge Smart and Save Settlement Agreement*, Sections 9 and 11, p. 11.

^{97/} D.16-01-045, Attachment 2, Section 13, p. 7.

^{98/} Exh. JOINT SETTling PARTIES-1, *Charge Smart and Save Settlement Agreement*, Section 12, pp. 11- 12.

^{99/} Compare, D.16-01-045, Attachment 2, Appendix C, to Exh. JOINT SETTling PARTIES-1, *Charge Smart and Save Settlement Agreement*, Appendix C.

When these virtually identical technology choice and selection requirements are compared, it becomes obvious that ChargePoint’s criticism of Charge Smart and Save is unfounded. Site hosts have the ability to choose EVSE from pre-qualified vendors, just as under the SDG&E decision. EVSPs have the right to contact and market directly to site hosts, just as under the SDG&E decision. The pre-qualification of vendors must be competitively neutral and transparent, just as under the SDG&E decision – including the ability of vendors to offer network operating system services that are bundled with EVSE in order provide a least-cost, convenient solution for site hosts and EV drivers, rather than offered separately.

In fact, the *only* substantive difference between Charge Smart and Save and SDG&Es’ approved procurement process is ChargePoint’s request for a “rolling” vendor pre-qualification process that occurs more frequently than Charge Smart and Save’s annual process.^{100/} However, Charge Smart and Save requires PG&E to continuously consult with the Advisory Council and Commission staff on efficient implementation of the program, and if the consensus is that vendor pre-qualification should take place more often than annually, PG&E will consider the recommendation on its merits.^{101/} However, the Commission must recognize that more frequent qualification is likely to drive higher cost and complexity in the program and delays in EVSE installation.

ChargePoint’s criticisms of Charge Smart and Save’s EVSE technology choice and selection criteria do not hold up, and should be rejected.

F. Site Selection Criteria and Participation Payments

ChargePoint argues that Charge Smart and Save’s site host participation payment proposal “give[s] away EVSE and services at no or minimal cost to customers” and thus “violates the state’s interest in optimizing private investment.”^{102/} TURN argues that Charge Smart and Save’s participation payments are too low to qualify as a “meaningful contribution”

^{100/} Exh. JOINT SETTLING PARTIES-1, *Charge Smart and Save Settlement Agreement*, Appendix C.

^{101/} Settling Parties do not support ChargePoint’s request that EVSE vendors like itself take part in the review and evaluation of EVSE procurement process and results in the Advisory Council; as the SDG&E decision and settlement make clear, the Advisory Council’s role in reviewing EVSE procurement will be identical to that of the utilities’ Procurement Review Groups, which expressly forbid participation by vendors and suppliers, in order to protect against manipulation and gaming of the competitive procurement process.

^{102/} *Id.*, p. 45.

and that the exemption of non-profit entities, government agencies and school districts are too broad.^{103/} TURN and ChargePoint argue vaguely that site hosts should be required to “make a meaningful contribution” or “meaningful...payment” as a condition of participation in the EV program.^{104/}

The participation payment proposed in the Charge Smart and Save settlement is virtually identical to that proposed by SDG&E in an advice filing that adopted a joint recommendation made by the vast majority of the participants in two meetings of SDG&E’s Program Advisory Council (10 percent of the cost of EVSE at MUDs and 20 percent the cost of the EVSE at workplaces). In that context, ORA supported a nearly identical proposal (10 percent of the EVSE cost at MUDs, 20 percent of the EVSE cost at “small” workplaces, and 25 percent of the EVSE cost at “large” workplaces).^{105/}

The continuing debate in all three IOU EV proceedings over whether site-host participation payments are too low or too high should be resolved in favor of the interests of program design, not other purposes. The arguments for higher site-host participation payments or fewer exemptions than proposed by Charge Smart and Save appear intended to offset the overall costs of the program or to make “wealthy” site hosts pay more even if they are non-profits, government agencies or located in Disadvantaged Communities.^{106/} ChargePoint, on the other hand, appears motivated by concern that the level of participation payments under Charge Smart and Save do not provide sufficient balance between utility and non-utility programs and would “crowd out” private investments that would otherwise occur by other non-utilities.^{107/}

Higher participation payments are not consistent with the overall purpose of utility EV programs. The goal of utility EV infrastructure programs is to promote and implement EV infrastructure where needed to incent and support EVs and clean transportation electrification in parallel with other non-utility programs. Site host participation payments can play a role in ensuring that site hosts are committed to the goals of the EV program, i.e. “have skin in the

^{103/} TURN Opening Brief, pp. 45- 48.

^{104/} TURN Opening Brief, p. 12; ChargePoint Opening Brief, p. 14.

^{105/} Exh. PGE-8, for which Settling Parties request official notice (Tr.Vol.5, April 28, 2016, 623:2-9).

^{106/} TURN Opening Brief, pp. 46- 48; ORA Opening Brief, pp. 24- 25.

^{107/} ChargePoint Opening Brief, pp. 45- 46.

game.” But the payments are not primarily intended to offset the costs of the programs or to discriminate against site hosts based on some arbitrary “ability to pay.” As TURN concedes, Charge Smart and Save’s participation payments are comparable to those proposed by SDG&E under its Commission-approved program.^{108/} The site hosts also already will be making a significant contribution to the success of the program by voluntarily providing their in-kind support – which will be substantial – for siting of EV infrastructure and an ongoing partnership with the IOUs and the EVSE providers for promotion and education on the benefits of EV use.

If, as the opponents apparently recommend, the site-host participation payments are intended to recoup the costs of the programs or discriminate based on ability to pay, all to the detriment of EV drivers and site hosts, or to leverage additional private investment, then it is likely that many potential site-hosts, including those in the key underserved MUD, workplace and Disadvantaged Communities market segments, will simply not participate, thus thwarting the primary goals of the EV programs.

Charge Smart and Save’s site-host participation payments strike a reasonable balance between site-host “skin in the game,” and avoiding unnecessarily high payments that damage the program design and deter site-host participation.

G. Load Management, Time of Use Rates, Pricing to EV Drivers

ChargePoint and TURN argue that site hosts should have unfettered discretion over pricing to EV drivers.^{109/} ChargePoint claims that Charge Smart and Save requires that a third-party, rather than a site-host or EV driver, be the “default customer of record” for purposes of pricing EV services.^{110/} TURN argues that the TOU “Rate-to-Driver” option may not provide benefits and could lead to harmful results.^{111/} These criticisms are all unfounded.

Charge Smart and Save includes two reasonable consumer protections to which ChargePoint objects:

^{108/} TURN Opening Brief, p. 45. Settling Parties note that ORA, the other ratepayer advocate in the proceeding, is on record as supporting site host participation payments in the SDG&E program comparable to those proposed by Charge Smart and Save. (Exh. PGE-8, for which Settling Parties request official notice. See Tr.Vol. 5, April 28, 2016, 623:2- 9.).

^{109/} ChargePoint Opening Brief, pp. 13, 52; TURN Opening Brief, pp. 12, 50- 53.

^{110/} ChargePoint Opening Brief, p. 36.

^{111/} TURN Opening Brief, p. 50.

- 1) Under the “TOU Rate-to-Driver” option, a contractual requirement that third-party charging service providers, who voluntarily participate in the program, to pass through CPUC approved TOU rates to ensure EV drivers who charge in a manner consistent with grid conditions realize fuel cost savings; and
- 2) Under the “TOU Rate-to-Host” option, a requirement adopted in D.16-01-045, that site-hosts who choose the “TOU Rate-to-Host” option submit load management plans that include, among other things, a description of whatever fees they intend to charge EV drivers, and a provision that allows PG&E to request that site-hosts who submit load management plans that are inconsistent with the Guiding Principles revise their load management plans to be consistent with the Guiding Principles if they wish to participate in the program.

These reasonable consumer protections, meant to ensure that drivers who charge in a manner consistent with grid conditions realize fuel cost savings, are simple and reasonable. Site hosts and third-party charging service providers who do not wish to abide by these requirements are in no way obligated to participate in this utility-customer funded program. Furthermore, ChargePoint supported the same provisions in the SDG&E settlement, and the Commission adopted those provisions in D.16-01-045.^{112/}

In opening testimony, ChargePoint stated, “we do not collect any revenue directly from EV drivers.”^{113/} However, under cross examination, ChargePoint’s witness acknowledged that, were the Commission to adopt ChargePoint’s recommendation that site hosts have unfettered discretion over pricing at sites where fees are collected, ChargePoint would collect those fees directly from EV drivers, keep 10 cents of every dollar collected and remit the balance to site-hosts.^{114/} That revenue collected from drivers would be in addition to a portion of the \$46 million budgeted under the settlement for payments to charging service providers like ChargePoint for “EV Chargers,” “Network Operations,” and “Operation and Maintenance.”^{115/}

^{112/} ChargePoint incorrectly claims that PG&E’s EV TOU rates will not be synchronized with overgeneration periods caused by renewables. (ChargePoint Opening Brief, p. 56.) In fact, PG&E TOU periods are shifting to synchronize with overgeneration periods. See D.15-11-013; PG&E A.16-06-016.

^{113/} Exh. ChargePoint-63, p. 4 (“...we do not collect any revenue directly from EV drivers.”).

^{114/} Compare, Exh. ChargePoint-63, Jones, p. 4 (“...we do not collect any revenue directly from EV drivers.”), to Tr.Vol.4, April 27, 2016, 387:10 to 15 (ChargePoint/Jones) (Q. So under the example I just gave it would have been true that 57.5 cents of that dollar would have been retained by Charge Point. But under the new agreement it would be 10 cents on the dollar. A. Ten cents of the dollar, correct.”).

^{115/} Tr.Vol.4, April 27, 2016, 389:10 to 15 (ChargePoint/Jones).

There is no public policy rationale for the unfettered site-host discretion over pricing that ChargePoint desires in PG&E's service territory. Why should site hosts, who voluntarily participate in the program and who receive the benefit of EV charging facilities, and third-party charging service providers, who voluntarily enter into contract with PG&E and who will be paid for their services, be free to make a windfall profit by charging fees well in excess of the price of electricity?

As noted by NRDC in opening testimony, a survey of over 16,000 California PEV drivers reveals that "saving money on fuel costs" is the single most important decision factor driving PEV purchases.^{116/} Despite this fact, ChargePoint witness Jones in hearings testified that ChargePoint *disagrees* with the statement made by its former vice president of marketing that, "if you are going to charge someone the equivalent or more than what gas costs, you are not going to have people buying electric cars."^{117/} The Settling Parties and 16,000 PEV owners in California agree with the former vice president of marketing for ChargePoint that saving money on fuel is critical to accelerating the EV market.

TURN's support for removing the same consumer protections to which ChargePoint objects is perplexing and contrary to the Commission's long-term support for TOU rates and consumer protection. In hearings, TURN could only point to a desire to collect data to compare and contrast site-host determined pricing and the pass-through of CPUC approved TOU rates.^{118/} Under the terms of the Charge Smart and Save settlement that comparison will already be possible because the settlement allows for site-host determined pricing (subject to the reasonable provision that such pricing be consistent with the program's Guiding Principles), and the settlement also requires PG&E to collect and report data on utilization rate by site, pricing and load management approaches for TOU Rate-to-Host sites, kWh usage by price, other usage data, and charging load profiles.

Consistent with the Commission's TOU and load management ratemaking principles and in contrast to TURN and ChargePoint, ORA supports the consumer protections designed to

^{116/} Exh. NRDC-101, p. 19, citing Center for Sustainable Energy, [California Plug-in Electric Vehicle Owner Survey Dashboard](#).

^{117/} Tr. Vol. 4, April 27, 2016, 384:2 to 384:18 (ChargePoint/Jones).

^{118/} Tr. Vol 5, April 28, 2016, 592:11 to 607:3 (TURN/Borden).

ensure that drivers have an opportunity to realize fuel cost savings.^{119/} ORA stated in hearings that the reasonable check on site-host discretion over pricing provided by the requirement that site-hosts who wish to enroll under the TOU Rate-to-Host option submit load management plans to be reviewed for consistency with the Guiding Principles was a “provision of the settlement (that) represents one area where the settling parties did good work.”^{120/}

ChargePoint’s claim about a “default customer of record” requirement which would discriminate against site hosts and EVSE vendors is unsubstantiated. Nothing in Charge Smart and Save requires that a third-party be the “customer of record” for pricing of EV infrastructure and power services, including network operating services. Nothing precludes the site host from choosing to be the customer of record. Just like both the SDG&E and SCE programs, site hosts are free to procure EV charging stations directly from other EVSE vendors rather than through Charge Smart and Save.^{121/} Allowing the EVSP to be the customer of record provides a beneficial choice for site hosts who do not wish to carry additional responsibility of managing EV charging stations on their parking lot. Offering the site host a choice of letting the EVSP serve as the utility’s customer of record enables the simple, turnkey model that will help increase access to charging for EV drivers.

In sum, the Commission should side with ORA and the Settling Parties, ignore the calls made by ChargePoint and TURN for unfettered site host discretion over pricing to EV drivers, and retain the same options that allow for site-host flexibility in pricing and the same consumer protections in the Charge Smart and Save settlement as were adopted D.16-01-045.

PG&E will procure EVSE from third-party vendors on a non-discriminatory, competitively-neutral basis where a site host requests such services from PG&E. Charge Smart and Save’s “TOU Rate-to-Host” and “TOU Rate-to-Driver” options are the same as approved by

^{119/} Tr.Vol.5, April 28, 2016, 543:19 to 544:8 (ORA/Durvasula).

^{120/} Tr.Vol 5, April 28, 2016, pp. 546:21 to 547:10 (ORA/Durvasula).

^{121/} ChargePoint argues that TOU pricing requirements for site hosts or EV charging providers participating in Charge Smart and Save are illegal under Public Utilities Code Section 216(i). (ChargePoint Opening Brief, p. 59.). ChargePoint is incorrect; Public Utilities Code Section 216(i) only exempts EV charging providers from the definition of “public utility;” it does not preclude the CPUC from placing TOU pricing conditions on site hosts or EV charging providers who voluntarily participate in a CPUC-approved utility EV program. (ChargePoint incorrectly references Section 216(h) in its brief; the correct reference is to Section 216(i)).

the Commission (as well as ChargePoint) for SDG&E's EV program.^{122/} Just like SDG&E's approved program, PG&E will be directly responsible for operations and maintenance of the EV charging station and for responding to site host, tenant, or utility customer questions and needs regarding the availability, billing and rates charged for EV services – regardless of which vendor or vendors supplies the equipment and operating systems.

TURN's claim that TOU pricing to EV drivers will provide no cost or reliability benefits is speculative and not supported by the Commission's ratemaking policies. TOU rates are designed to provide incentives to customers – including the EV drivers under Charge Smart and Save – to use electricity efficiently, such as charging their EVs at off-peak times, which by definition benefits the EV drivers and all utility customers generally. The amount of such benefits varies by customer (and EV driver here), but the benefits exist. TURN's argument that these benefits cannot be precisely quantified does not change the fact that the TOU rates passed through to EV drivers do have benefits.

Given the strong policy support by the Commission for TOU pricing and load management programs in many proceedings, including the SDG&E and SCE EV decisions, the opposition of ChargePoint and TURN to these elements of Charge Smart and Save is out of step with consumer protection, energy and environmental policies, and not credible.

H. Targeting of Market Segments

ChargePoint, ORA and TURN all argue that Charge Smart and Save should be restricted or prohibited from providing EV charging stations to workplaces, and instead should be limited primarily to multi-unit dwellings and disadvantaged communities.^{123/}

The Commission already has rejected requests to restrict workplace charging, and should do so here.^{124/} The Commission in the other EV proceedings has found as a matter of fact that workplace charging needs are underserved and therefore utility EV programs should target workplaces.^{125/} PG&E is well positioned to fulfill this need in its service area. However, ChargePoint goes a step further than even TURN or ORA, and argues that workplace charging

^{122/} Settling Parties Opening Brief, pp. 33- 34.

^{123/} ChargePoint Opening Brief, pp. 13, 65- 70; ORA Opening Brief, pp. 9, 27- 28; TURN Opening Brief, pp. 11, 54- 59.

^{124/} D.16-01-045, p. 133.

^{125/} *Id.*

needs in Northern and Central California can be served adequately by charging companies like ChargePoint without competition from utilities.^{126/} ChargePoint's claim that workplaces in PG&E's service area are not underserved is not supported by the record – in fact, there is a growing gap in availability of workplace charging in PG&E's service area, and that gap is likely to grow in the future as EV adoption continues to expand.^{127/}

I. Disadvantaged Communities

ChargePoint and TURN would significantly modify Charge Smart and Save's enhanced Disadvantaged Communities' program.^{128/} ChargePoint and TURN would 1) Restrict Charge Smart and Save's expanded definition of Disadvantaged Communities, which includes high concentrations of CARE customers as well as CalEnviroScreen Disadvantaged Communities for the additional stretch goal of 20 percent deployment; 2) Remove the exemption of non-MUD sites from participation payment requirements in Disadvantaged Communities; and 3) Delete the \$5 million for additional equity programs and services in Disadvantaged Communities.^{129/}

The Settling Parties in their testimony and the record already have described the innovative and enhanced features of Charge Smart and Save that support Disadvantaged Communities and go beyond similar provisions in the SDG&E and SCE EV programs.^{130/} Settling Parties negotiated and added these features to Charge Smart and Save with the expert advice and leadership of parties which advocate for low and moderate income consumers and disadvantaged communities. These features also incorporate and implement California's goals for promotion and deployment of EVs and clean transportation electrification in Disadvantaged Communities, as enacted in SB 1275 and SB 350.

TURN and ChargePoint object that the definition of Disadvantaged Communities includes "Fortune 500 companies" or "wealthy workplaces." Nonetheless, in its SCE and SDG&E decision, the Commission authorized the use of CalEnviroScreen 2.0 as a tool to target

^{126/} ChargePoint Opening Brief, pp. 65- 66.

^{127/} Exh. PGE-4, pp. 4- 5 (Corey).

^{128/} ChargePoint Opening Brief, p. 70; TURN Opening Brief, pp. 56- 58.

^{129/} *Id.*

^{130/} Settling Parties Opening Brief, pp. 37- 40.

EV investments in Disadvantaged Communities.^{131/} Neither TURN nor ChargePoint objected to wealthy workplaces being included in the definitions of Disadvantaged Communities approved by the Commission in those decisions.^{132/} For example, Ingram Micro is a Fortune 500 company in Santa Ana, California, located in a Disadvantaged Community pursuant to the SCE settlement.^{133/} TURN and ChargePoint were signatories to the SCE settlement and supported charging station rebates of up to 100 percent of the base charging station cost for customer participants located in Disadvantaged Communities.^{134/}

The Disadvantaged Community section of Charge Smart and Save is meant to benefit communities most in need. Charge Smart and Save states that “PG&E will consult with the Program Advisory Council to identify priority areas of focus for EV infrastructure development. . . .”^{135/} Moreover, Settling Parties, under the Disadvantaged Communities section, are to “advance strategies to increase access to EVs in low and moderate income communities.”^{136/} This intent to benefit Disadvantaged Communities is reinforced in one of the guiding principles stating that the settlement “[m]ust provide equitable deployment of services to all ratepayers, including statutory requirements and directives to serve disadvantaged communities and increase access to clean transportation.”^{137/}

The objection to targeting areas with high CARE customer concentration also should be rejected. The inclusion of communities with a high concentration of CARE customers for the additional 5 percent stretch deployment goal is consistent with the Commission’s directive for SDG&E and SCE to use broader definitions of Disadvantaged Communities and is also consistent with the Commission’s long-standing commitment to low-income customers, many of

^{131/} D.16-01-045, p. 137- 138; D.16-01-023, p. 39- 40.

^{132/} D.16-01-045, pp. 76- 81, 137- 138; D.16-01-023, pp. 38- 40.

^{133/} D.16-01-023, p. 57.

^{134/} D.16-01-023, p. 13.

^{135/} Exh. JOINT SETTling PARTIES-1, *Charge Smart and Save Settlement Agreement*, Section 15, p. 12.

^{136/} *Id.*

^{137/} Exh. JOINT SETTling PARTIES-1, *Charge Smart and Save Settlement Agreement*, Section 2, p. 7.

whom do not live in the census tracts identified by the CalEnviroScreen tool.^{138/} Just because a company or business in a disadvantaged community is “large and lucrative” as TURN says, should not disqualify the employees or customers of that company or location from benefiting from EV charging infrastructure deployment.^{139/} TURN and other opposing parties point to select examples of large corporations located within the Disadvantaged Communities maps, and then argue against the combination of a 15 percent minimum deployment in areas identified by the EnviroScreen tool and an additional 5 percent stretch goal in those areas plus areas with a high concentration of CARE customers. The Commission should reject these red herrings as the inherent artifacts of any map-based exercise; it is equally possible to point to similar companies using the maps adopted by the Commission in D. 16-01-023 and D.16-01-045.

With this background, Settling Parties request that the Commission reject attempts to dilute the enhancements for Disadvantaged Communities in Charge Smart and Save. Deleting the \$5 million for additional equity programs is “penny wise and dollar short,” given the State’s priorities for promoting clean transportation for low and moderate income families. Narrowing the scope of Disadvantaged Community benefits, including exemptions from site-host participation payments, is equally unwise.

J. Coordination with Distribution Resource Plans

The Settling Parties agree that Charge Smart and Save will coordinate its siting activities and procurement with guidelines and Commission adopted criteria for optimal siting of distributed energy resources in utility Distribution Resource Plans, including EVs.^{140/}

K. Education and Outreach

Settling Parties incorporate by reference their Opening Brief and other testimony and evidence in the record in response to opposing parties’ arguments on Charge Smart and Save’s

^{138/} D.16-01-023, Conclusion of Law 22: “It is reasonable to require at least 10% of charging stations be deployed in disadvantaged communities, using either a service territory-based or a state-wide definition of the term, whichever is broader. In SCE’s service territory, the state-wide definition is the broader of the two,” D.16-01-045, p. 138: “For those reasons, it is reasonable to define eligible disadvantaged communities as the top quartile of census tracts as identified by CalEnviroScreen on either a state-wide or a utility-wide basis, whichever is broader.”

^{139/} TURN Opening Brief, p. 56.

^{140/} Exh. JOINT SETTTLING PARTIES-1, *Charge Smart and Save Settlement Agreement*, Section 7, p. 10.

education and outreach program and budgets. The Settling Parties also note that, while the maximum single-year bill impact anticipated for the Charge Smart and Save program is 4 percent less than the comparable estimate approved as reasonable by the Commission for the SDG&E program, the Charge Smart and Save program includes a significant budget for market education and outreach activities, something that is not present in the SDG&E program.

L. Coordination and Collaboration with Community Choice Aggregators

Settling Parties incorporate by reference their Opening Brief and other testimony and evidence in the record in support of Charge Smart and Save’s unique and innovative proposals for coordination and collaboration with Community Choice Aggregators.

M. Monitoring, Data Collection and Reporting

TURN and ORA make some recommendations regarding additional data content and reporting frequency under the program.^{141/} Settling Parties request that the Commission reject these additional requirements as inconsistent with the standard reporting and data collection requirements adopted for SDG&E and SCE. However, approval of Charge Smart and Save is without prejudice to TURN, ORA and other stakeholders suggesting enhancements and improvements to monitoring, data collection and reporting as part of the Advisory Council or in Phase 2 of the utilities’ EV programs.

N. Advisory Council

ChargePoint argues that market participants, including potential EVSE vendors and bidders in Charge Smart and Save RFOs, should be able to directly participate in reviewing and advising on bid specifications and criteria and the results and cost details of EVSE procurement.^{142/} Charge Smart and Save, like other Commission approved procurement review groups, allows non-market participants to advise and review procurement plans and results, but does *not* permit market participants to do so. This is a routine restriction and prevents vendors and bidders from being able to manipulate or “game” the procurement process. Consistent with its decisions supporting the composition of energy resource procurement review groups, the Commission should reject ChargePoint’s request to inject itself into market-sensitive procurement matters that come before the Advisory Council.

^{141/} TURN Opening Brief, p. 62; ORA Opening Brief, p. 30.

^{142/} ChargePoint Opening Brief, p. 76.

O. Cost Recovery, Cost Allocation, Management, and Transition Mechanism

TURN and ChargePoint oppose Charge Smart and Save's "bridge funding" proposal that would provide for contingency funding to continue Charge Smart and Save without interruption if the Commission is unable to approve a Phase 2 program on a timely basis.^{143/} Although TURN concedes that an interruption in EV infrastructure deployment may be "inconvenient," it says that such an interruption is "necessary" to allow the Commission to fully review any Phase 2 proposals.^{144/}

Settling Parties disagree. California is already behind on deployment of EV infrastructure to support its ambitious clean transportation goals. Charge Smart and Save's contingency transition funding proposal would only be triggered if the Commission is unable to review a Phase 2 proposal. The contingency funding would be subject to Commission review by advice filing, and thus provides a balance between the Commission's Phase 2 evaluation needs and the need to avoid a serious interruption in EV infrastructure deployment. Charge Smart and Save's transition funding proposal should be adopted. In other public purposes programs, such as Energy Savings Assistance and California Alternate Rates for Energy programs, the Commission has routinely approved bridge funding mechanisms, and should do so here.^{145/}

P. Safety

Settling Parties incorporate by reference their testimony and the record on Charge Smart and Save's compliance with Commission and other safety standards and policies.

V. OTHER ISSUES

N/A.

VI. CONCLUSION

The Settling Parties represent a diverse group of interested parties representing the broad community of support for expanded use and deployment of EVs in California and for the infrastructure required to achieve California's clean transportation and greenhouse gas reduction goals. Settling Parties have come together in support of the Charge Smart and Save program,

^{143/} TURN Opening Brief, pp. 63- 64; ChargePoint Opening Brief, pp. 77- 78.

^{144/} TURN Opening Brief, p. 64.

^{145/} See, e.g., D.16-06-018.

and respectfully request that the Commission approve the Charge Smart and Save Settlement Agreement.

Respectfully Submitted,

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